



## LOW-INTEREST LOAN GUIDELINES

### Application Procedure

A Political Subdivision may apply to the Indiana Brownfields Program (“Program”) for a low interest loan, including a partially forgivable loan, from the Environmental Remediation Revolving Loan Fund (the “Brownfields Fund”) to finance the identification, assessment and/or remediation (including demolition activities) of brownfields.<sup>1</sup> In addition to the guidelines, an applicant may find it useful to review the Environmental Remediation Revolving Loan Program statute found at Ind. Code 13-19-5 et. seq.

Using the Program’s online application system, applicants must complete and submit the following:

1. One fully-completed and digitally-verified online application;
2. Upload of a copy of the applicant’s most recent audit from the State Board of Accounts;
3. Upload of a proposal (including cost estimates) from an environmental consultant and a copy of any site assessment reports on the property (if remediation work is required);
4. Upload of a copy of an ordinance or resolution authorizing the political subdivision to enter into a financial assistance agreement with the Indiana Finance Authority and designating the source of repayment; and
5. Upload of a feasibility study if the repayment source includes revenues.

Applications in excess of \$750,000 will need to be approved by the Indiana Finance Authority Board.

The Program must approve the remediation plans prior to issuing a commitment letter to fund a loan.

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<sup>1</sup> The Program strongly encourages any potential applicant to contact staff to discuss the project prior to preparation and submittal of the application.

## Selection Criteria

Applicants meeting project specific economic development goals are eligible to receive partially forgivable loans for not more than twenty per cent (20%) of the loaned amount. Not more than ten percent (10%) of the money available in each of the following categories may be loaned or otherwise provided to any one political subdivision. The percentage allocation per category is a goal and may be altered if demand requires.

CATEGORY ONE:	Cities, Towns and Counties with populations of 10,000 or more:	50%
CATEGORY TWO:	Cities, Towns and Counties with populations of less than 10,000:	50%

The following criteria, in addition to those considered for grants, will be used by the Program to determine the priority of a loan application:

- Ability to repay the loan
- Economic factors (including those considered for grant applicants)
- Economic development potential for the project, including jobs created
- Long term plans for the project
- Matching funds (local or private) supporting the project
- Strength of community/local support
- Interest of a developer or company in the property
- Geographic disbursement of funds
- Environmental remediation

The following criteria, in addition to those listed above, will be considered by the Program to determine the priority of a forgivable loan application:

- (1) Priority will be given to a former gas station site or a site where underground storage tanks have been used to store petroleum, hazardous substances, hazardous wastes; or other product(s); or
- (2) Is located within one-half (0.5) mile of any of the following:
  - A child care center (as defined by IC 12-7-2-28.4).
  - A child care home (as defined by IC 12-7-2-28.6).
  - A child caring institution (as defined by IC 12-7-2-29).
  - A school age child care program (as defined by IC 12-17-12-5)
  - An elementary or a secondary school attended by students in kindergarten or grades 1 through 12

(3) Has specified economic development or redevelopment goals and a schedule for their attainment prepared by the political subdivision with public input.

- End use of the site
- Economic development or redevelopment goals
- Number and types of jobs created, wages
- Non-business use such as parks or green space
- Tourism
- Direct or indirect effects of the development/redevelopment on the community
- Other economic indicators identified by the community
- Schedule

### Interest Rates and Repayment

Interest rates on loans from the Brownfields Fund will be 2.5% if the loan term is less than ten years and 3% for loans that are more than ten years, as determined by the State Budget Agency. Loan recipients may be eligible to defer principal payments on loans for up to two years to provide adequate time to budget for loan payments. Loan terms are flexible up to 20 years. Loan recipients must execute a Financial Assistance Agreement with the Indiana Finance Authority and the State Budget Agency and other related loan documents.

Not more than twenty percent (20%) of the total amount of an eligible Brownfields Revolving Loan may be forgiven. In addition to the terms noted above, the financial assistance agreement for a project to be financed with a forgivable loan will specify economic development or redevelopment goals for the project. These goals must be achieved *BEFORE* the political subdivision will be released from its obligation to repay the forgivable loan.

### General

Program Staff will provide assistance to any political subdivision interested in the loan program. This can include meeting with local officials, visiting the site and answering questions about application preparation. **THERE IS NO APPLICATION FEE.**

Application forms reflecting these guidelines are available through the Program. These guidelines may be modified from time to time to address demand and other issues to promote the effective and efficient administration of the program.

### Contact Information

We welcome comments on the Low Interest Loan guidelines at any time. Questions regarding these guidelines or Low Interest Loans in general can be directed to Sara Westrick Corbin by email at [swestrick@ifa.in.gov](mailto:swestrick@ifa.in.gov) or by phone at (317) 234.1688. These guidelines may be modified at any time by the Indiana Finance Authority Board to address demand and

other issues to promote the effective and efficient administration of the Indiana Brownfields Program.

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